



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 5, 2015

**H.R. 641
Conservation Easement Incentive Act of 2015**

As ordered reported by the House Committee on Ways and Means on February 4, 2015

H.R. 641 would amend the Internal Revenue Code to reinstate and make permanent specified rules that increased the amount of income tax deductions allowed for taxpayers making certain charitable contributions of real property for conservation purposes. The rules, which expired on December 31, 2014, increased certain income-based limits on the amount of such conservation contributions that an individual or qualified corporate farmer or rancher could deduct in a year, and extended the number of years over which such contributions above the limits could be carried forward and deducted. H.R. 641 also includes special rules for qualified conservation contributions made by Alaska Native Corporations.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 641 would reduce revenues, thus increasing federal budget deficits, by about \$1.2 billion over the 2015-2025 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 641 would result in revenue losses in each year beginning in 2015. The estimated increases in the deficit are shown in the following table.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Nathaniel Frentz. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate of Pay-As-You-Go Effects for H.R. 641, as ordered reported by the House Committee on Ways and Means on February 4, 2015

	By Fiscal Year, in Millions of Dollars												2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	25	73	86	90	94	103	120	136	150	164	178	470	1,220	

Source: Staff of the Joint Committee on Taxation.

Note: Components may not sum to totals because of rounding.
